

QUICK REVISION MODULE (UPSC PRELIMS 2022)

INTERNATIONAL TRADE



FACTORS INFLUENCING INTERNATIONAL TRADE

INEQUALITY IN NATURAL RESOURCES



GEOLOGICAL STRUCTURE

Determines mineral resources base and diversity of agriculture and crops as well animals raised.



MINERAL RESOURCES

They are unevenly distributed the world over.



CLIMATE

It influences the type of flora and fauna. Ensures diversity in the range of various products.



POPULATION FACTORS



CULTURAL FACTORS

Distinctive forms of art and craft develop in certain cultures which are valued the world over, e.g. China produces the finest porcelains and brocades. Carpets of Iran.



SIZE OF POPULATION

Densely populated countries have large volume of internal trade but little external trade, products are consumed in the local markets.

STAGE OF ECONOMIC DEVELOPMENT



In agriculturally important countries, agro products are exchanged for manufactured goods whereas industrialised nations export machinery and finished products and import food grains and other raw materials.

EXTENT OF FOREIGN INVESTMENT



Foreign investment can boost trade in developing countries which lack in capital required for the development of mining, oil drilling, heavy engineering, and lumbering and plantation agriculture.

DEVELOPMENT OF TRANSPORT AND COMMUNICATION



Transport and communication are the main bases of international trade. Surface, water, air and pipeline transport are required for transferring goods from surplus producing countries to the countries of shortage.

TECHNOLOGICAL INEQUALITY



Some countries have developed some specific type of technology which could not be developed by other countries.

TRADE POLICIES



Developing countries provide some concessions to exporters for boosting their export. Many countries levy heavy taxes on goods of import so as to check their import and promote their local industries.

ECONOMIC DEMAND



A country may have any quantity of surplus production but without demand, it cannot be goods of trade. When it becomes an economic demand, the country tries to procure it.

INTERNATIONAL PATTERN OF TRADE

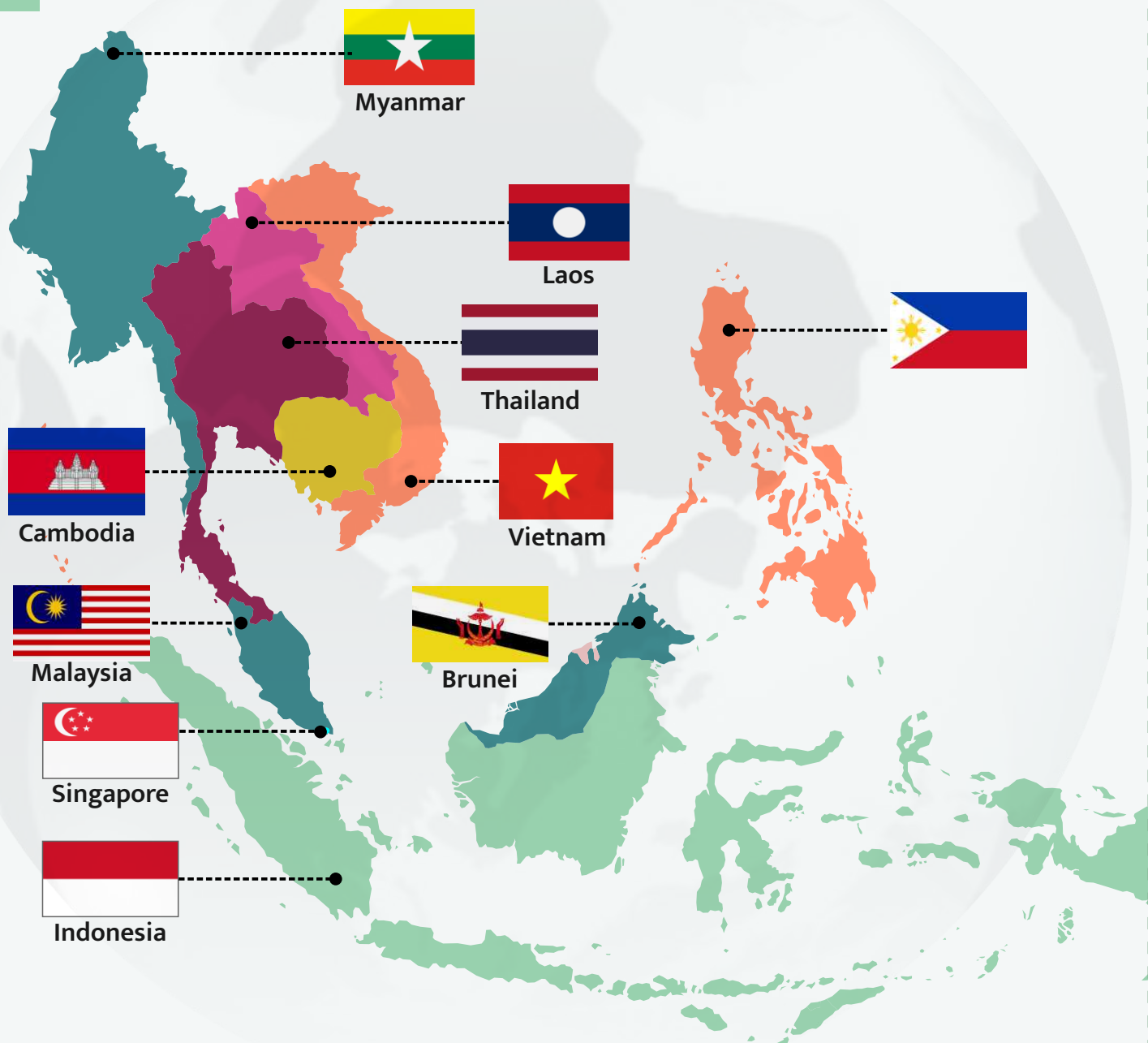
- On account of globalisation of agricultural and industrial products, the international trade become highly complex.
- Fast Growth Rate: The volume of trade is growing very fast.
- The rate of growth of export trade is almost double that of production rate.
- About 25 per cent of world production has now entered international trade.



MAJOR TRADING BLOCS

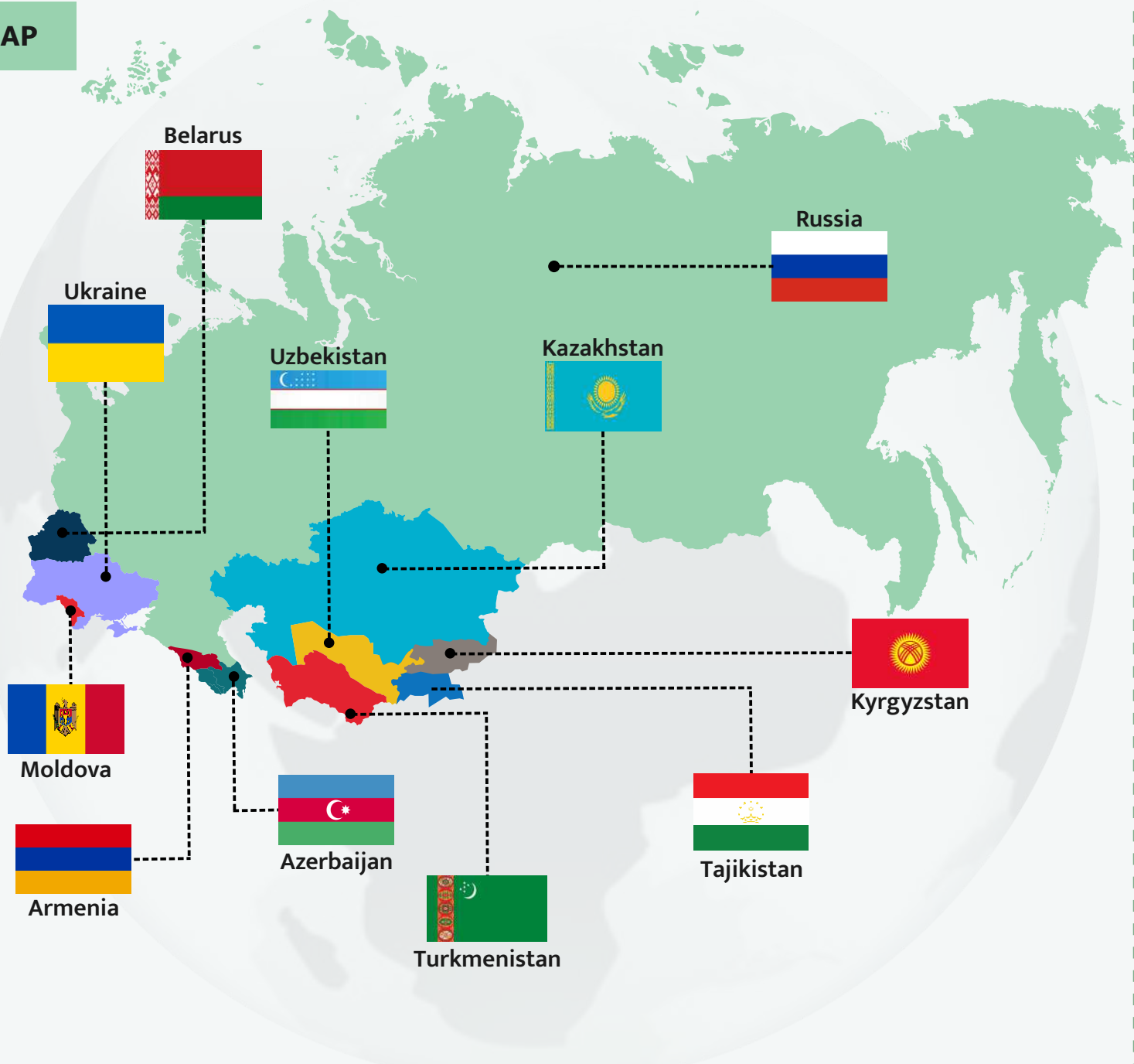
REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
ASEAN (Association of South East Asian Nations)	Jakarta, Indonesia	Brunei, Indonesia, Malaysia, Singapore, Thailand, Vietnam, Philippines, Myanmar, Cambodia, Laos	Aug, 1967	Agro products, rubber, palm oil, rice, copra, coffee, minerals – copper, coal, nickel and tungsten; Energy – petroleum and natural gas and Software products

MAP



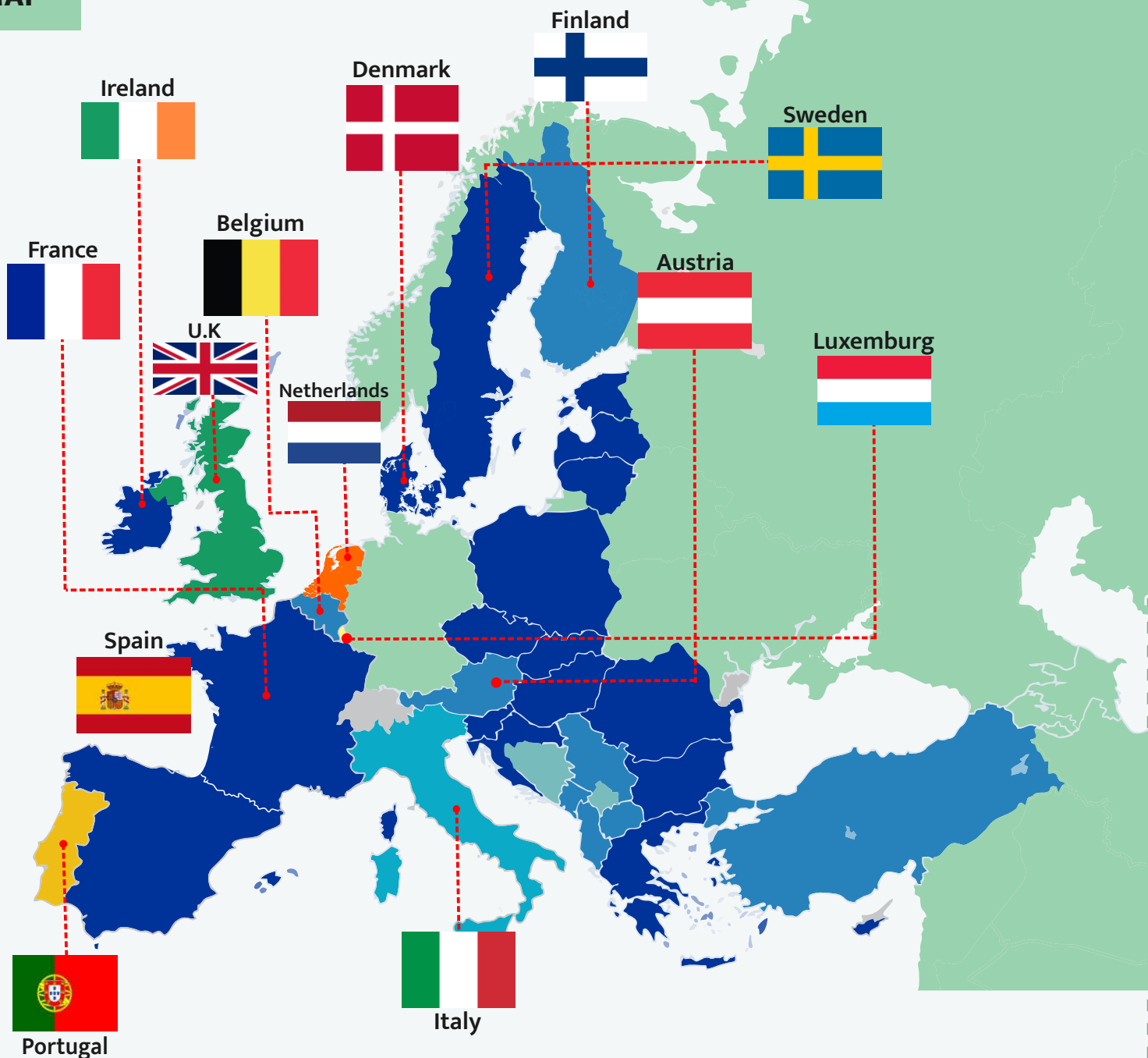
REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
CIS (Commonwealth of Independent States)	Minsk, Belarus	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	—	Crude oil, natural gas, gold, cotton, fibre, aluminium

MAP



REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
EU (European Union)	Brussels, Belgium	Austria, Belgium, Denmark, France, Finland, Ireland, Italy, the Netherlands, Luxemburg, Portugal, Spain, Sweden and U.K	EEC - March 1957 EU - Feb. 1992	Agro products, minerals, chemicals, wood, paper, transport vehicles, optical instruments, clocks - works of art, antiques

MAP



REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
LAIA (Latin American Integration Association)	Montevideo, Uruguay	Argentina, Bolivia, Brazil, Columbia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela	1960	—

MAP



REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
NAFTA (North American Free Trade Association)	—	U.S.A., Canada and Mexico	1994	Agro products, motor vehicles, automotive parts, computers, textiles

MAP



REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
OPEC (Organisation of Petroleum Exporting Countries)	Vienna, Austria	Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, U.A.E. and Venezuela	1949	Crude petroleum

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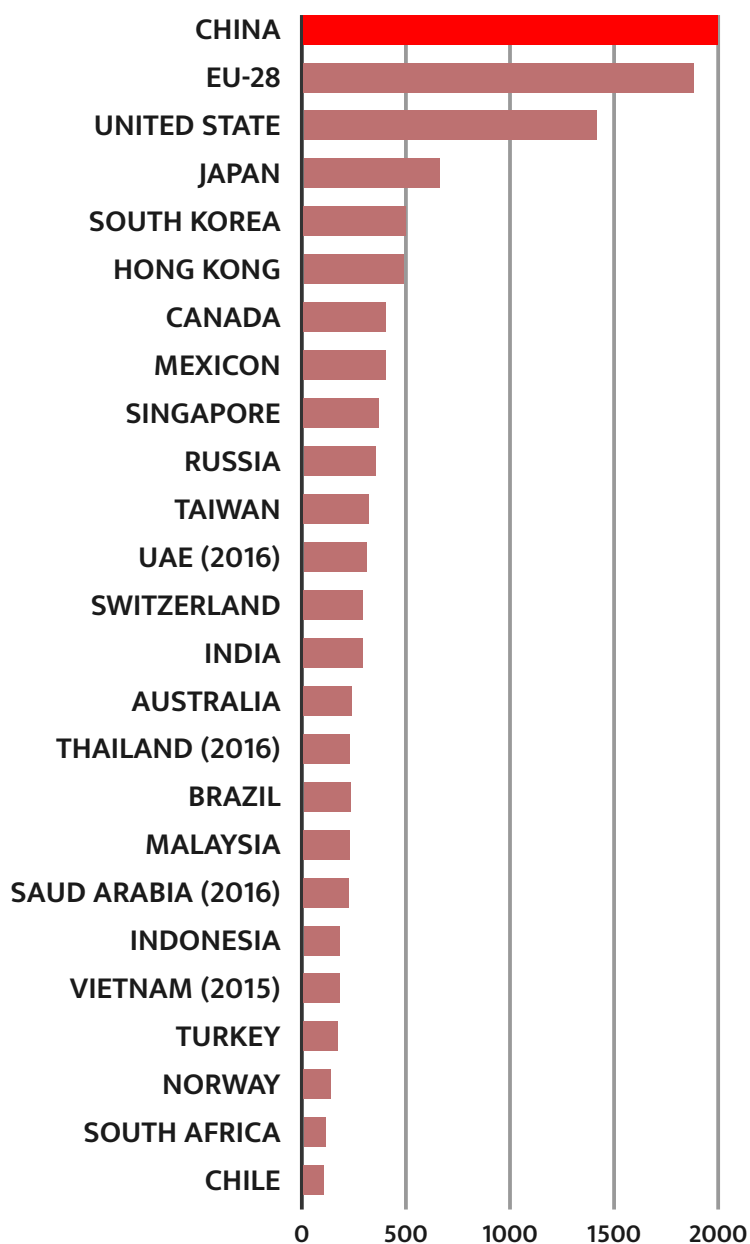
REGIONAL BLOCS	HEAD QUARTERS	MEMBER NATIONS	ORIGIN	COMMODITIES
SAFTA (South Asian Free Trade Agreement)	—	Bangladesh, Maldives, Bhutan, Nepal, India, Pakistan and Sri Lanka	Jan- 2006	—

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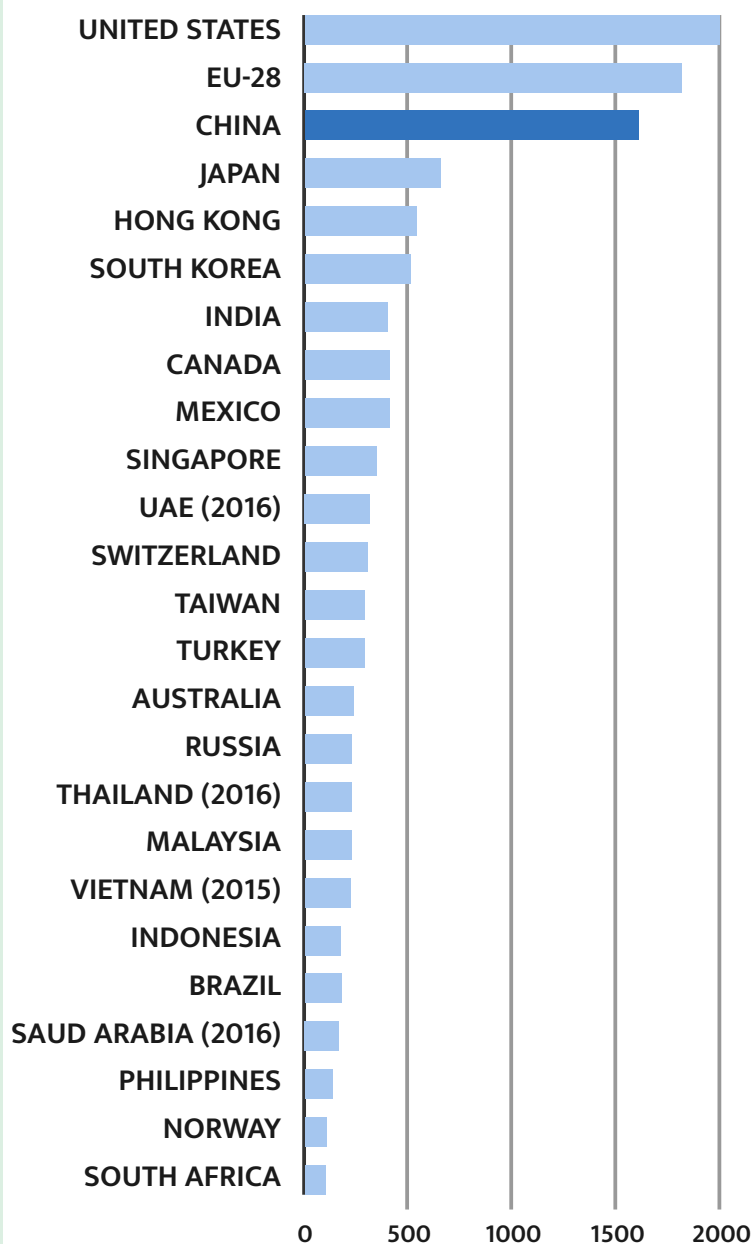


TOP 25 IMPORTERS AND EXPORTERS IN THE WORLD

EXPORTS



IMPORTS



COMMODITIES IN WHICH INDIA'S MERCHANDISE TRADE BALANCE IS FAVOURABLE

COMMODITY



Drug formulations, biologicals



Marine products



Gold and other precious metal jewellery



RMG cotton incl. accessories



Cotton fabrics, made ups etc.



Iron and steel



Iron ore



Rice - Basmati



Rice (other than Basmati)



Petroleum products

COMMODITIES IN WHICH INDIA'S MERCHANDISE TRADE BALANCE IS UNFAVOURABLE

COMMODITY



Petroleum: Crude



Gold



Coal, Coke and Briquettes etc.



Telecom Instruments



Electronics Components



Vegetable Oils



Computer Hardware, Peripherals



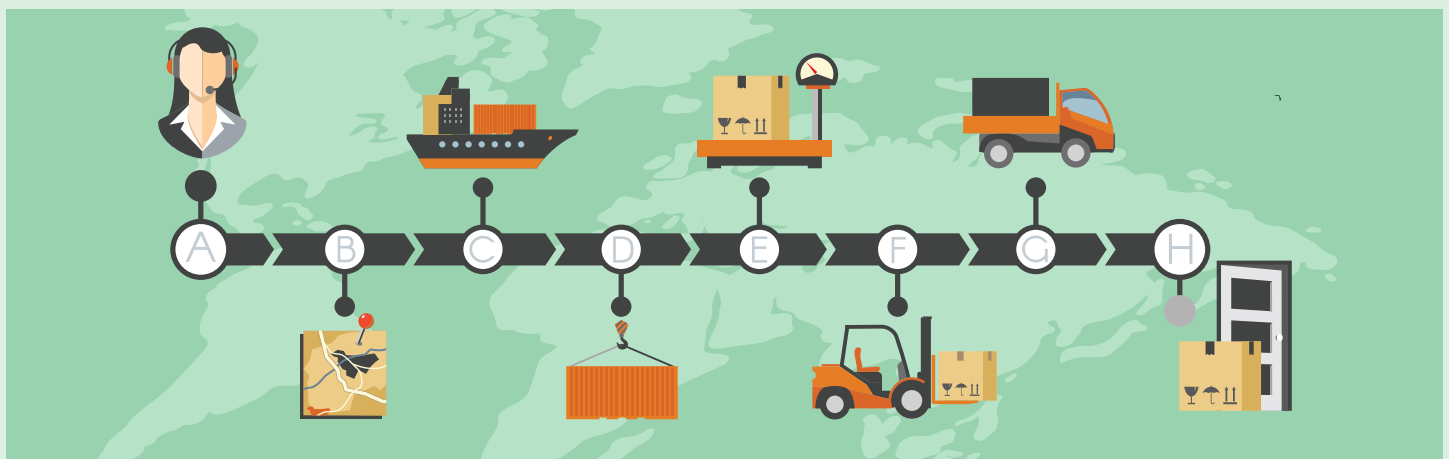
Fertilizers Manufactured



Plastic Raw Materials



Aircraft, Spacecraft and Parts

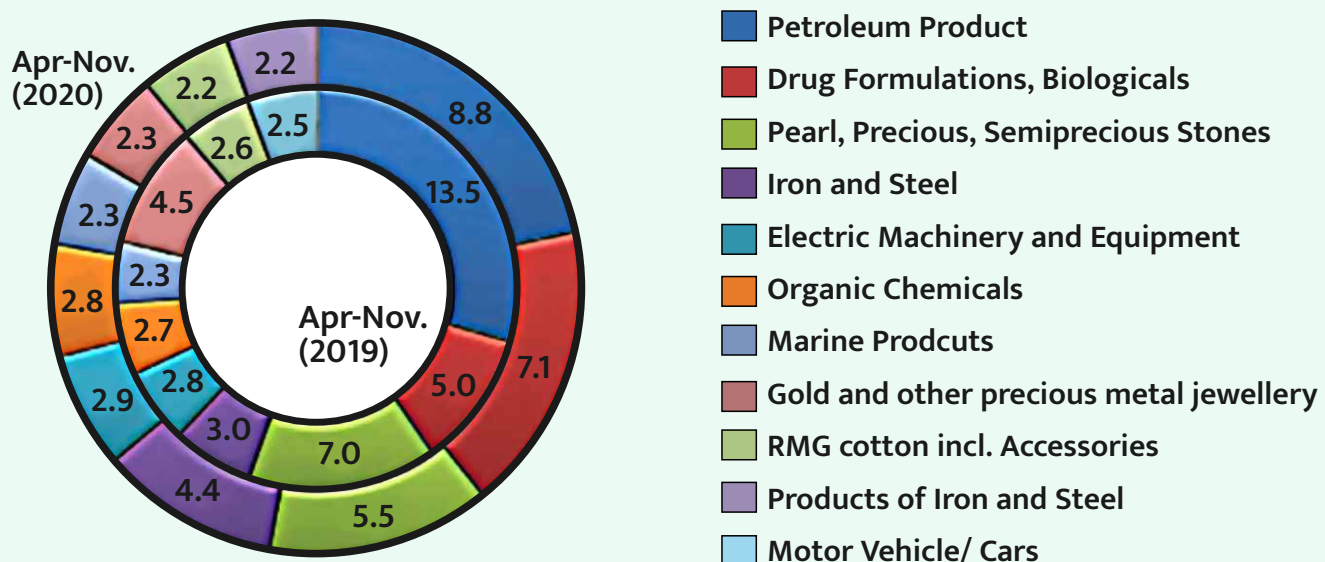


INDIAN'S MERCHANDISE TRADE BALANCE WITH MAJOR COUNTRIES

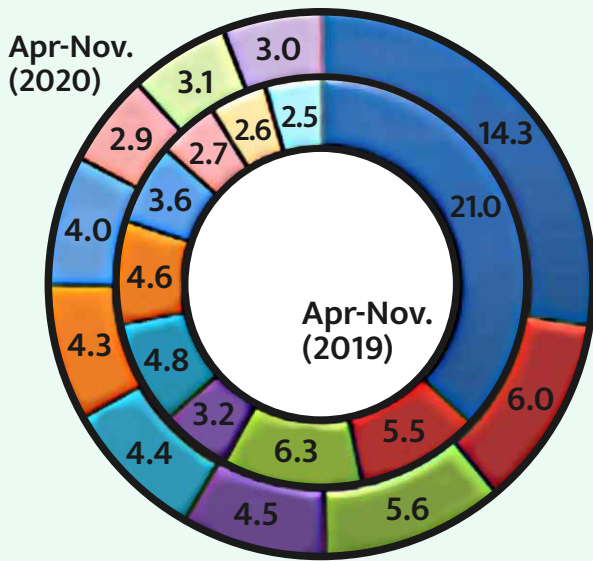
(VALUE IN US\$ BILLION)

S.No.	Country	EXPORT		IMPORT		TRADE BALANCE	
		Apr-Nov 2019-20 (R)	Apr-Nov 2020-21 (P)	Apr-Nov 2019-20 (R)	Apr-Nov 2020-21 (P)	Apr-Nov 2019-20 (R)	Apr-Nov 2020-21 (P)
1	USA	35.6	31.3	25.1	16.3	10.5	15.0
2	Bangladesh	5.3	5.0	0.8	0.6	4.5	4.4
3	Nepal	4.8	3.4	0.5	0.4	4.3	3.0
4	UK	5.7	4.6	4.5	2.6	1.2	2.0
5	Netherland	5.7	3.8	2.4	1.9	3.4	1.9
6	Sri Lanka	2.6	2.1	0.6	0.4	2.0	1.7
7	Turkey	3.4	2.3	1.5	0.9	1.9	1.4
8	Qatar	0.8	0.8	6.0	4.6	-5.3	-3.8
9	South Korea	3.1	2.9	10.9	7.1	-7.8	-4.2
10	Indonesia	2.5	2.7	9.6	7.3	-7.0	-4.6
11	Switzerland	0.8	0.9	12.8	5.8	-12.0	-4.9
12	Saudi Arabia	3.8	3.6	18.2	9.2	-14.4	-5.6
13	Iraq	1.3	1.0	15.4	7.6	-14.1	-6.6
14	China	11.5	13.6	46.9	38.8	-35.4	-25.2

TOP 10 EXPORT COMMODITIES IN APRIL-NOVEMBER 2020 AND APRIL-NOVEMBER 2019 {BY SHARE IN %}



TOP 10 IMPORT COMMODITIES IN APRIL-NOVEMBER 2020 AND APRIL-NOVEMBER 2019 {BY SHARE IN %}



- Petroleum: Crude
- Petroleum Product
- Gold
- Telecom instruments
- Coal, Coke and Briquettes etc.
- Pearl, Precious, Semiprecious Stones
- Electronics Components
- Organic Chemicals
- Vegetable Oils
- Computer Hardware, Peripherals
- Industrial Machinery for dairy, Etc.
- Iron and Steel

